

# 2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

REVISED

Agency: UTAH STATE OFFICE OF EDUCATION

Bill Number SB 219

**TITLE OF BILL:** USE OF SEVERANCE TAX REVENUES WHEN A SCHOOL DISTRICT DIVISION OCCURS by Michael G. Waddoups

Requested by: Patrick Lee

Fax/Electronic Mail Transmittal To:

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Name: Patrick Lee

Date: February 11, 2008

Fax Number: \_\_\_\_\_

Please return to Fiscal Analyst by: February 12, 2008

This Bill Takes Effect: ☐ On passage ☒ On July 1 ☐ 60 Days after session ☐ Other \_\_\_\_\_

Bill Carries Own Appropriation: ☐

## FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
<b>A. REVENUE IMPACT BY SOURCE OF FUNDS</b>			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## B. EXPENDITURE IMPACT:

<b>By Source of Funds</b>			
1. General Fund			<b>\$6,200,000</b>
2. General Fund, One Time			
3. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,200,000</b>
<b>By Expenditure Category</b>			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			<b>\$6,200,000</b>
6. D.P. Capital Outlay			
7. Other (Specify)			
<b>8. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,200,000</b>

## C. IMPACT IN FUTURE YEARS?

*If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)*

Cathy Dudley  
Prepared By

MSP Budget and Property Tax Specialist - USOE  
Title

801.538.7667  
Agency Phone #

February 11, 2008  
Date

**D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

*Lines 48-67 will generate additional workload.*

**E. Expenditure Impact Details (Ties to totals in Section C)**

*List and document methodology and/or assumptions used in determining need for workload and cost increase.  
List number, type, and step ranges of personnel required, including benefits.  
List details of other impacted expenditure categories as shown in Section C.  
List additional space requirements and cost associated with requirements of this bill.  
(USE ATTACHMENTS IF NECESSARY.)*

*The State Board of Education is required to allocate funds deposited into the School District Division Capital Equalization Fund to be used only for capital outlay purposes. If more than one qualifying district is affected by one or more school district divisions, the State Board of Education shall allocate those funds by equally dividing 10% of available funds among the qualifying school districts and the remaining 90% to the qualifying school district or districts most in need after considering (1) student enrollment growth and new building needs, (2) the extent to which the district division has reduced the property tax base available to fund facilities in the qualifying school district, (3) property tax taxable base per student, (4) property tax effort, and (5) capacity and renovation needs in existing facilities. The State Board of Education will have to implement a rule to develop the criteria to follow this distribution method.*

**F. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.  
Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)*

**G. If Bill Carries Its Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.  
Are there future additional costs anticipated beyond the appropriation in the bill?  
25% of the average annual revenues generated by the severance tax will be deposited into the School District Division Capital Equalization Fund. For FY09, that amounts to approximately \$6.2 million. **However, any new school districts will not be providing educational services to students until FY10.** So depending on the revenues collected for FY10, that dollar amount may increase or decrease. (Please see tab titled Calculation for more information.,) The qualifying school district may only receive this money for ten years following a division split.*

**H. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.  
Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local Governments:

*These funds will be an increase in the amount of capital outlay monies a district receives to enable them to fund capital outlay purposes. However, this appropriation is only available to the school district for ten years once a new school district assumes responsibility for providing educational services.*

Businesses and Associations:Individuals:

*The revenue collected by the severance tax currently goes into the General Fund to be distributed for other purposes. Depositing 25% of this revenue into the School District Division Capital Equalization Fund could reduce some other programs' appropriations.*

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.